Executive Summary

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Dealink

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What if a product that allow subscribers of a pay-network service to make money/save money and help the host to sell its products while consuming it; also allow the subscribers feel great as if they are doing nice things for the god.

Dearlink, a California start-up, based on a patent pending technology, is to initiate an operation business just about doing that: Idle-Surplus-Recycled e-Information Exchange Trading Center (Exchange).

The objectives and the business activities of the Exchange are:

- To build an Exchange eCommerce Market Place portal to collect, process, trade and distribute idle-surplus-recycled e-information content items.
- To build Pre-Trade Processing Centers to re-build the collected e-information items (DealPac) for trading readiness.
- To set up with major subscription based network (cable, telecom, wireless, internet operators and SP/CP) e-information content business and physical connection protocols.

In the world of high end consumers (Group I), electronic information consumption are high volume and high priced; where the same needs are unsatisfied in the world of low end or cost sensitive consumers (Group II). Currently, the way to solve the problems are either pay the high price for access or no/less access, or go with pirates.

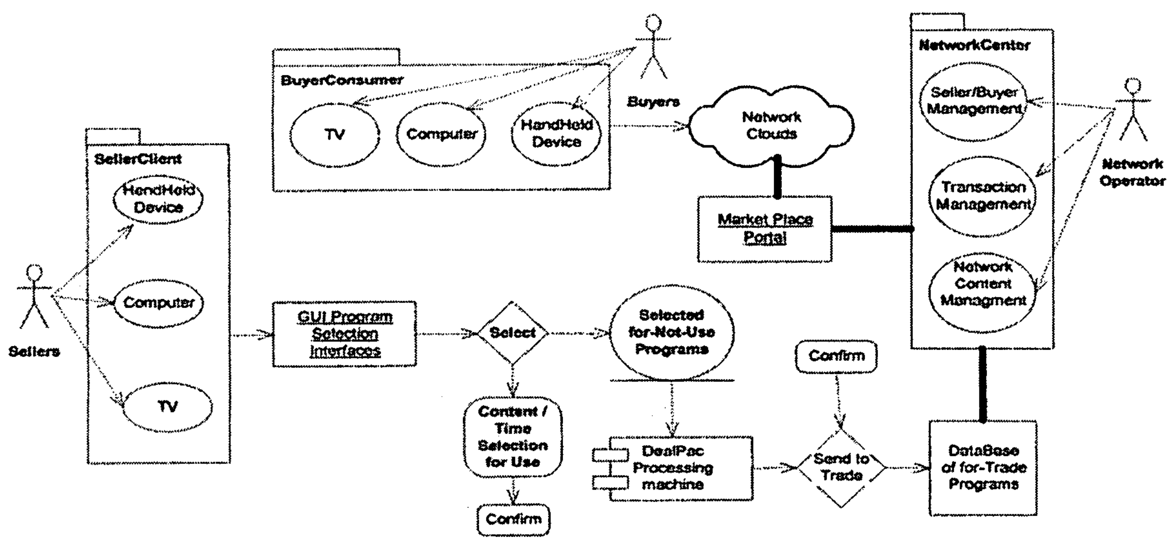
Our approach to solve the problem is to have the Group I people put their un-used idle, surplus or used electronic information items for-not-use in specific time frame (such as evening/day or out-time) and have them sent to the Exchange for trade. The Exchange process these e-information items into tradable forms – DealPac and have them sold at affordable price in different time and space to Group II people. The trading can be constructed in C-C, C-B or B-C or B-B eCommerce way to accomplish the goals.

The unique solution we provide here shall open a huge market opportunity for its stakeholders in the area of TV/films, telecommunication/internet service industries worldwide. An IBM research report states: 2005 US households spent average 5 hours/day on TV, young people spent average 4 hours/day on broadband, average household has 91 TV channels, 57% household subscribe cables. TV's viewership has generally increased since last 10 years and shall continuously to do so at rate of 1-2% per annual increase in the recent future. Those 57% households of US population of TV consumers could be our potential Group I customers of "sellers market", who will sell their "for-not-use" programs via the "Exchange", --- that is only the US, not including Europe, Japan, etc., and satellite / Internet TV households yet. The Group II of "buyers market" shall primarily include collective and individual buyers. Collective buyers are telecom/internet emerging content providers in the US, and overseas TV operators (cable, broadcasting networks) and telecom/internet operators; while individual buyers are everywhere like iPod types consumers, they get DealPac via company's or contracted

download Kiosks, etc.. It is huge mass audiences: China and India would each have 200-300 million TV users, wire/wireless phone users already.

The competitive advantage of our solution comes in the form of double blade sword: Group I of "sellers market" side are mass individual sales of their already paid programs, --- if it can be sold for some money, they'd happy to do so; if not, it doesn't matter, it would just like whatever they are doing already without using our service. For TV operators, if their subscribers can help sell their "for-not-use" programs and cut part of the earnings for the operator, they'd happy to do so, because it not only allow them earn extra money, but help enhance the subscriber loyalty and reduce churn; even if the earning is little, the host operator is already paid by the subscribers, anything happen is extra gain to the operator, so they'd happy to do so, nevertheless to say the big one like Comcast already operate at maximum market share allowed by the regulation. This put lot of flexibility on the sales price setting-up, or the cost of the "Exchange". The "for-not-use" programs coming-in could be free donation at the bottom, up to a price flexible enough to settle down, this means the competitive pricing on the "Exchange" side. On the Group II of "buyers market" side, the already competitive pricing could be even competitive via collective purchasing. A pirate version of DVD movie is sold at price of 20-40cents(USD) in China market, our competitively priced and conveniently delivered movies could be sold always less than 20% of the pirate version. In fact, the "buyers market" side pricing is a function of multi-dimension factors (cost, time, unit, region, title's aging and type, ad and collective purchasing size, etc), which means competitive, flexible and variety choices of DealPac to choose. Since we systematically organize the relationship of producer (including writers, actors/staffs), distributors and network operators in negotiated business contracts, we shall beat the pirate out of the market.

Our solution is based on a patent pending technology that will revolutionize part of the pay TV/Internet current business practice. The following figure illustrate the key action / business / technical process and application cases of the pending patent.



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PCT patent publication: PCT/US03/11320 (WO 03/090464 A1), US Ser.10/519393, EPC03746972, CN02116861.X, etc. Also the International Pre-examination Report by US PCT authority has pre-approved the patentability of the technology, that is novelty, inventive-step, and industrial applicability, pending individual country final approval.

One of the major business model is somehow like eBay's, with mass individual sellers and mass individual/group buyers doing trade via the Exchange portal, EXCEPT: 1) our patent pending technology is used; 2) majority of the money transaction is done in real time through crediting and/or debiting the sellers'/buyers' host network subscription accounts deducting the Exchange's commission plus agreed allowances. Certainly, ad insertion also are import source of revenue. Therefore, successfully sell the Exchange service to major subscription based TV network service providers are the key to the success of the Exchange. Due to today's competitive market of the industry, we are confident to win the sales. The revenue earned shall be allocated to pay suppliers, donate to goodwill foundations and to further fund the development of the Exchange.

<u>Supporting Information</u>

1. Cost Estimate. The Exchange Centers shall be built at strategic location in ___________(such as Hong Kong), with sub-centers located in US, China and other Asian countries for the Pilot stage. Initial US$3-5 million fund shall be allocated in term of cost: 1/3 for equipments (hardware and software), 1/3 for development (prototype + trial), which shall take 6-12 months to be ready for commercial operation, 1/3 shall be for the pilot commercial run. The re-accruing cost structure of the income sheet (average speaking for the first 3 years) shall some how look like this:

20-30% +	Profit Margin
40-50%	COGS
15-20%	Admin & Exp.
5-10%	Mis.

2. ROI shall be 30% or more

3. Duration of the polite stage: 1-2 years (reaching break even).

4. Dealink is in a process setting up the above operation based on its patent pending technology which use a software package and service portal to allow uniquely trading electronic info-media items world wide among individual or group buyers/suppliers. Dealink has worked previously, under different name, as telecommunication/network development consultant for US and Chinese companies, such as European Telecom, China Unicom, Far East Gateway; also worked as contractor for Comcast and Dishnetwork for individual/group sales, installation and collection.

Dealink management team is composed of founder of pending patent holders Mr. Shuya Huo, reputable US, HK, China experts in the TV/Internet/Telecom/Software/network industries both for BD and SAB.